

CLARITAS

Grant Funding



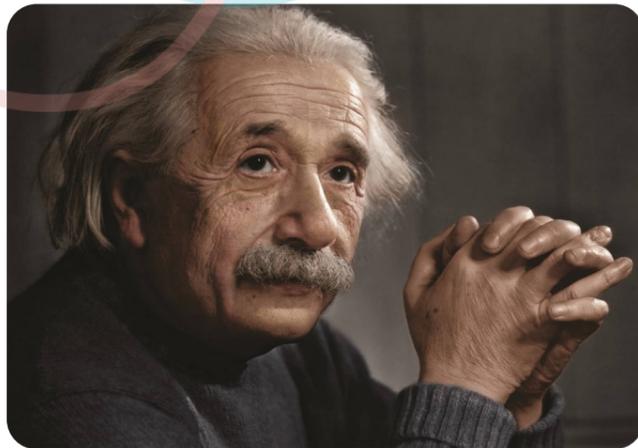
Albert Einstein famously said,

"If you always do what you always did, you will always get what you always got".

The world is evolving continuously; in terms of technology, politics, the climate, health hazards and demographic structure and as a society, we need to be ready to embrace these changes.

Doing what one has always done might be sufficient for problems in the past but would not be enough to address current or future challenge.

Innovation is important to try and achieve a better outcome to current challenges as well as deliver solutions to new problems. Grant funding is frequently required to drive the innovation.



UK Government Industrial Strategy

It has long been recognised that Government strategy is an essential part of ensuring that as a society, money and effort is concentrated on developing new science and technology in the appropriate sectors.

Innovative companies are essential to deliver the Government's Industrial Strategy and contribute to the growth of the UK economy.

The Department for Business, Energy and Industrial Strategy (BEIS), established in 2016, is responsible for UK business, strategy, science and innovation, energy, energy security, climate change and industrial strategy.

Industrial strategy has been the cornerstone of the Government's economic approach since 2016, evidenced by the White Paper titled "Building a Britain fit for the future", published in November 2017.

Whilst some of the aims of the new Industrial Strategy were directed to upskilling young people, supporting businesses and growing the economy, it was acknowledged that not enough had been done to support and promote innovation.

The Prime Minister stated in her foreword that the Government would not be fulfilling Britain's potential if, despite having scientists and universities renowned the world over, one could not turn their ideas into the products and services on which the industries of the future would be built.

The Industrial Strategy was intended to remedy defects of the past and help identify the industries that are of strategic value to the economy and so create a partnership between government and industry to nurture them.

The overall ambition was to propel Britain to global leadership of the industries of the future – from artificial intelligence and big data to clean energy and self-driving vehicles. "Ideas" was the first of five foundations identified as being behind the Government's vision for a transformed economy.

In addition, the White Paper identified four Grand Challenges to put the United Kingdom at the forefront of the industries of the future.

- **Grand Challenge Number One:** Artificial Intelligence and Data Economy – the Government aimed to put the U.K. at the forefront of the AI and data revolution.
- **Grand Challenge Number Two:** Clean Growth– the aim was to maximise the advantages for U.K. industry from the global shift to clean growth.
- **Grand Challenge Number Three:** Future of Mobility– the aim was to become a world leader in the way that people, goods and services move.
- **Grand Challenge Number Four:** Ageing Society– the aim was to harness the power of innovation to help meet the needs of an ageing society.

To achieve the foundations identified as being key to developing a transformed economy, the Government developed a set of



policies surrounding Ideas, People, Business Environment, Infrastructure and Places.

To promote the development of new "Ideas", the Government aimed to increase total research and development (R&D) investment to **2.4 per cent** of GDP by 2027, increase the rate of R&D tax credit to **12 per cent** and invest **£725m** in new Industrial Strategy Challenge Fund programmes to capture the value of innovation.

To promote "**Business Environment**" the Government launched a series of sector deals – partnerships between government and industry aiming to increase sector productivity.

The first sector deals were in life sciences, construction, artificial intelligence and the automotive sector.

The White Paper also announced an intention to drive over **£20bn** of investment in innovative and high potential businesses, including through establishing a new **£2.5bn** Investment Fund, incubated in the British Business Bank.



Implementation of the Industrial Strategy- UK Research & Innovation (UKRI)

Launched in 2018, UK Research and Innovation (UKRI) is a non-departmental public body sponsored by the BEIS which brings together the seven disciplinary research councils, Research England and the U.K.'s Innovation Agency, Innovate UK.

The nine councils work together to deliver sectoral and domain-specific support, expertise and funding and to help promote and deliver the Government's Industrial Strategy. The UKRI provides funding to researchers, businesses and universities, NHS bodies, charities and non-governmental organisations.

Funding is provided for every stage of research, from fundamental research to applied research that develops new products and services.



The UKRI funds businesses to develop innovative products, processes or services. Access can also be provided to expertise and specialist equipment needed to develop prototypes and products.

Businesses of any size can apply for funding, as long as they're based in the UK. Funding ranges from **£25,000** to **£10 million**.

UK-based SMEs can also apply for innovation loans of between **£100,000** and **£1 million**.

The UKRI takes an investment-driven approach. This means focusing on businesses with the ambition and potential to commercialise their ideas.

The UKRI identifies companies which, with support, can maximise the return on their investment to the UK's economy and society.

A business can apply for funding if it wants to do one or more of the following:

- Test the feasibility of an idea and make sure it will work
- Create a new product, process or service, or improve an existing one, through research and development
- Work with other businesses or research organisations on collaborative projects.

Businesses are able to find partners for innovation opportunities through UKRI's networking initiatives and tools and a business can partner with a researcher or research organisation when applying for funding as well as well lead a project and funding application.

The UKRI operates a funding finder for opportunities which can be filtered between funding councils and funding type.

In the period **2019/2020**, the UKRI made **16,667** decisions about research and innovation grants and **27%** of those were successful.



Industrial Strategy Challenge Fund (ISCF)

The UKRI has several funds that it channels investments through. The Industrial Strategy Challenge Fund is the flagship, challenge-led innovation programme.

Around **£2.6 billion** of public money and **£3 billion** in matched funding from the private sector have been invested in projects that bring together researchers and businesses to tackle the big societal and industrial challenges of today.

Applicants can win support for a range of projects across **23** different challenges, from small feasibility studies through to large collaborative research and development projects and major new research and development facilities.

All the challenges fall under the four themes of the government's Industrial Strategy being clean growth, the ageing society, the future of mobility and artificial intelligence and data economy.

One can apply for funding if one is a research organisation, a business of any size, or a charity.

Innovate UK

Businesses that require innovation funding apply to Innovate UK.

Innovate UK provides support to businesses across a range of policy areas and is central to delivery of the Government's Industrial Strategy through finding and enabling solutions by investing in UK companies with the potential to take them to global markets.

Since **2007**, Innovate UK has invested around **£2.5bn** to help businesses across the country to innovate, with match funding from industry taking the total value of projects above **£4.3bn**.

Innovate UK has helped **8,500** organisations create around **70,000** jobs and added an estimated **£18bn** of value to the UK economy.

In the period **2019/2020**, Innovate UK received **5,794** applications for grant funding and made **949** awards. **£645,886** was awarded in terms of grant funding, **24%** of the total amount applied for.

EU Funding post Brexit



There has been great uncertainty surrounding grant funding emanating from the EU now that the UK is no longer a member.

As regards EU funded grants, the Government has announced that the UK will associate to Horizon Europe, the EU research and innovation programme that will run from **2021**

to 2027. Association will give UK scientists, researchers and businesses access to funding under the programme on equivalent terms as organisations in EU countries.

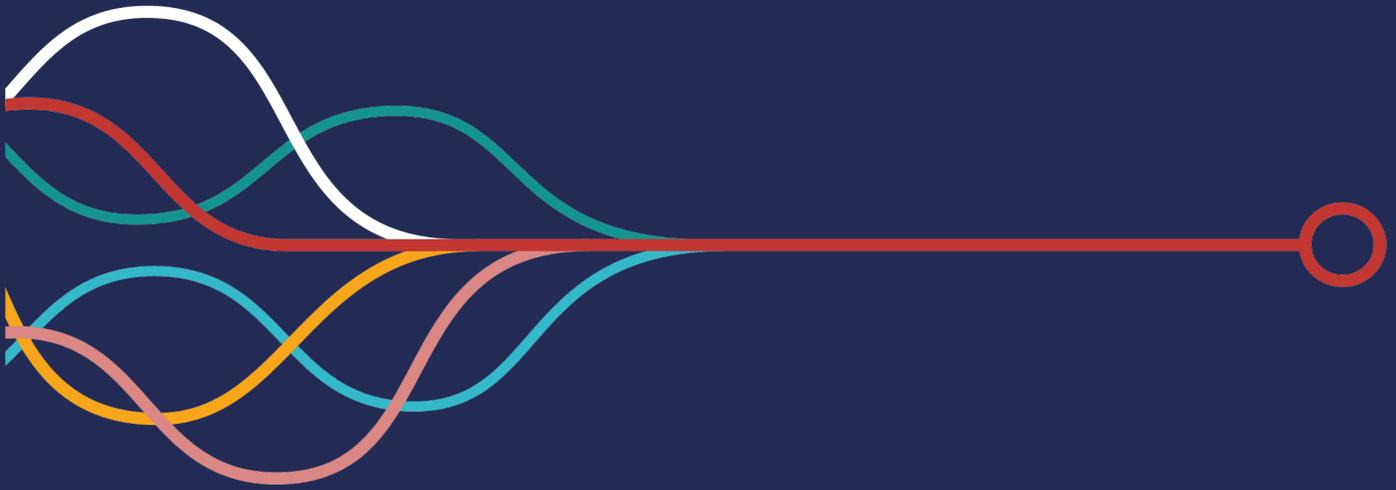
It has been confirmed that the UK can continue to participate in **Horizon 2020** programmes and receive EU grant funding for the lifetime of individual projects. UK organisations are encouraged by the UKRI to continue to bid into calls for new **Horizon 2020** grant funding for the lifetime of the **Horizon 2020** programme.

Beyond this confirmation, the future surrounding the ability of UK businesses to be able to access funding from the EU is unclear.

Any gap in funding opportunities that arises on account of Brexit, will need to be addressed within the UK's Industrial Strategy going forward. It is likely that any gap will be addressed through the UKRI.



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